



RECYCLE  
USED OIL

## **PROCEDURES AND REQUIREMENTS**

**USED OIL NONPROFIT GRANT**

**FISCAL YEAR 2002/2003**

**CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD**



**May 2003**

<b>DATE</b>	<b>ACTIVITY</b>
<b>May 1, 2003 – April 30, 2005</b>	<b>Grant Term</b>
<b>May 1, 2003</b>	<b>Grant Recipients Begin Execution of Grants</b>
<b>January 15, 2004</b>	<b>First Progress Report Due</b>
<b>July 15, 2004</b>	<b>Second Progress Report Due</b>
<b>January 15, 2005</b>	<b>Third Progress Report Due</b>
<b>April 30, 2005</b>	<b>Close of Grant Term</b>
<b>May 6, 2005</b>	<b>Final Report and Payment Request Due</b> <b><u>NO EXTENSIONS WILL BE GRANTED.</u></b>

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**CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD**  
**Used Oil Nonprofit Grant**  
**Procedures and Requirements**  
**May 2003**  
**Fiscal Year (FY) 2002/ 2003**

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The California Oil Recycling Enhancement Act (Public Resources Code Section 48600 et seq.) authorizes the California Integrated Waste Management Board (CIWMB) to offer Used Oil Non-Profit Grants (Non-Profit Grants) for the establishment of new programs or expansion of existing programs that address the proper management of used lubricating oil. These are the *Procedures and Requirements* for the FY 2002-2003 Non-Profit Grants. This document is incorporated by reference into the Non-Profit Grant Agreement.

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<b>Questions?</b>	Please direct any questions regarding the Non-Profit Grant Agreement to your Grant Manager at his/her direct telephone number or at (916) 341-6457. To find the name and telephone number of your Grant Manager go to <a href="http://www.ciwmb.ca.gov/HHW/Grants/Contacts.htm">www.ciwmb.ca.gov/HHW/Grants/Contacts.htm</a> .
<b>Where to send Reports, Payment Requests, and etc.</b>	Send your Reports, Payment Requests, and all other written correspondence to your Grant Manager's attention at:  Special Waste Division Used Oil and HHW Branch – MS #21 California Integrated Waste Management Board 1001 I Street P.O. Box 4025 Sacramento, CA 95812-4025
<b>Eligible costs</b>	All expenditures must be only for activities, products, and costs included in the approved Work Plan (Exhibit C in application) and Expenditure Itemization Summary (Exhibit D in application), and must be incurred within the grant term.
<b>Ineligible costs</b>	Any costs not included in your approved budgeted Expenditure Itemization Summary are ineligible for reimbursement. If you have any questions regarding ineligible costs, contact your Grant Manager. Ineligible costs include, but are not limited to, the following: <ul style="list-style-type: none"><li>• Costs incurred outside the grant term (prior to May 1, 2003 or after April 30, 2005).</li></ul>

- Costs not identified in the approved budgeted Expenditure Itemization Summary.
- Costs currently covered by another CIWMB loan or grant.
- Purchasing or leasing of land.
- Purchasing or leasing of vehicles by non-governmental agencies.
- Remediation.
- Enforcement activities.
- Overtime costs (except for local government staffing during evening or weekend events when law or labor contract requires overtime compensation).
- Out-of-state travel.
- Any food or beverages (e.g., as part of meetings, workshops, training, or events).
- Public education costs not directly tied to used oil collection or prevention of stormwater pollution from oil and oil byproducts.
- Profit or markup by the Grantee. Profit is allowed to contractors and subcontractors for services and products when Grantee follows a competitive bidding process.
- Any costs that are not consistent with local, state, and federal guidelines or regulations, and laws.
- Cell phones, pagers, and palm pilots.
- Items that contributes to the Household Hazardous Waste (HHW) stream (batteries, mercury containing products, etc.).
- Development of school curricula.
- Travel reimbursements in excess of the state rate.
- Expending grant funds related to mitigation and collection of used oil and used oil byproducts from stormwater runoff without a stormwater

management program approved by the California Regional Water Quality Control Board. For more information you can contact your Local Government administrator and/ or Regional Water Quality Control Board.

## Exceptions

Exceptions to the expenditure requirements and these Procedures & Requirements will be considered on a case-by-case basis. These requests must be submitted in writing and approved in writing by your Grant Manager. The Grantee is responsible for retaining documentations of any exceptions to these Procedures and Requirements for audit purposes.

## Recycled Content Requirements

All Grantees must report the percentage of recycled-content material for products purchased in the following product categories. Grantees must use a separate Recycled-Content Certification (RCP) Form (CIWMB 74G) for **each supplier** and submit these forms with **each Progress Report**. The form can be found at the CIWMB website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/)

Purchases of the following products with grant funds must meet the specific percentages of recycled-content, as described on the RCP form.

Paper Products	Printing & Writing Paper	Plastic Products
Compost & Co-Compost	Glass Products	Lubricating Oils
Paint	Solvents	Tire-Derived Products
Tires	Steel Products	

Any exceptions to the above requirements must be pre-approved by your Grant Manager.

Recycled-content information is available for some items commonly purchased through Used Oil Grants at [www.ciwmb.ca.gov/UsedOil/Grants/Opportunity/](http://www.ciwmb.ca.gov/UsedOil/Grants/Opportunity/). More information regarding RCP vendors and contractors may be found at: [www.ciwmb.ca.gov/buyrecycled/rcp](http://www.ciwmb.ca.gov/buyrecycled/rcp). Lastly, for information about the CIWMB's *Buy Recycled Program*, visit: [www.ciwmb.ca.gov/BuyRecycled](http://www.ciwmb.ca.gov/BuyRecycled)

## Publicity & Education

**All Publicity and Educational (P&E) items/materials must be submitted to your Grant Manager for written approval prior to production. Materials or items purchased, or activities attended without your Grant Manager's pre-approval may be denied for reimbursement. All items/materials must include the following:**

- Specific information on reducing the illegal disposal of used oil and/or used oil filters.
- A list of used oil/used oil filter collection opportunities within the targeted community or a telephone number to call for information on local collection centers. When locations are listed, include the following language: "Call

for hours of operation and types of materials accepted.”

- **Acknowledgement of the CIWMB funding that reads “Funded by a Grant from the California Integrated Waste Management Board.”** There are only two acceptable Spanish translations: “Financiado por una beca del California Integrated Waste Management Board” or “Patrocinado por fondos del California Integrated Waste Management Board.” **Use of the initials “CIWMB” is not sufficient.** Exception: The acknowledgement line is not required on small items where space constraints would not allow for this line, or if it would interfere with the message (pencils, storm drain stencils, radio spots, etc.). All exceptions must be pre-approved in writing by your Grant Manager.
- All P&E items/materials must meet the RCP content requirements as stated above in the “Recycled-Content Requirements” section.
- Include the “Used Oil Drop” logo with the words “Recycle Used Oil” or “Recycle Used Oil and Filters” as appropriate below it. Camera-ready art and color specifications are available free from the CIWMB. The used oil graphics are also available on the CIWMB’s website at: [www.ciwmb.ca.gov/UsedOil/graphics/default.htm#usedoil](http://www.ciwmb.ca.gov/UsedOil/graphics/default.htm#usedoil). Use the state colors (blue oil drop on yellow background) on any material produced in 4 or more colors. (Color designation for professional printing: Yale Blue-pantone 286C; Golden Yellow-pantone 123C.).
- A sign or sticker must be attached to all equipment purchased (with the exception of vehicles) with CIWMB grant funds which displays the “used oil drop” logo and states “**Funded by a grant from the California Integrated Waste Management Board.**” Signs that fulfill this requirement are available free from the CIWMB. If you want to develop your own sign, your CIWMB Grant Manager must give pre-approval. All wording and logos must be clearly displayed and/or sized.
- Premiums must be appropriate for the target audience, must be durable, and not likely to be disposed of in a short time (e.g., balloons).
- Premiums must not contribute to the HHW stream (e.g., any item containing batteries, mercury, etc.).

## **Obtaining Approval**

For printed material:

Allow a minimum of five (5) business days for your Grant Manager to review and approve materials. For all languages other than English, you must work with a certified translator or other person fluent in reading and writing the other language before submitting the material to your Grant Manager. Please describe the translator's qualifications and send a copy of the material in English along with your request. Grant Managers will review but not serve as language expert of non-English items/materials. Grant Managers will review these materials for graphics and formatting issues (e.g., inclusion of the Used Oil Drop logo, CIWMB acknowledgement line, etc.) and provide written approval.

- If a consultant or graphic artist is submitting material directly to your Grant Manager for approval, approval from the Grantee must also be submitted with the material.
- Materials approved under another grant or previous grant cycle must be reviewed by your Grant Manager to determine if the material is appropriate for this grant. Approval will be provided in writing.
- If changes are requested by your Grant Manager, incorporate them and submit a revised draft for written approval prior to production.

For videos and radio ads:

- In addition to the above requirements, you must submit a script to your Grant Manager for prior written approval.
- Submit a final draft in the appropriate media format (VHS format for videos and television ads and cassette tape or compact disc for radio ads) to your Grant Manager for written approval prior to production.

## **Proof of Purchase**

- Submit one (1) original copy of each premium item and two (2) original copies of all final P&E items/materials utilized during the reporting period with each Progress Report.
- Submit two (2) photographs from different angles of large items such as

## Clearinghouse

equipment, structures or other items that cannot fit into a legal dimension archive box with each Progress Report.

- Keep one (1) original of all materials purchased or produced along with the invoice and all other supporting documents for a period of at least three years after the close of the grant for audit purposes.

The CIWMB has a clearinghouse of premiums and educational items/materials produced over the years with Used Oil and HHW grant funds. The CIWMB staff has selected a group of P&E items/materials, which staff has determined to have particular merit. **However, these selected items/materials are meant to only provide ideas, concepts, and information; they may not meet the current required color schemes or proper verbiage.** All premiums and educational items/materials are subject to an audit and therefore must have your Grant Manager's written pre-approval and meet all the CIWMB requirements. You can view the selected items at:  
[www.ciwmb.ca.gov/HHW/Clearinghouse/](http://www.ciwmb.ca.gov/HHW/Clearinghouse/)

## Copyrights, Trademarks, Patents

Copyrights, trademarks, and patents for items/materials produced with grant funds, including materials created by a contractor or vendor, become the property of the CIWMB. For additional information consult the Terms and Conditions or contact your Grant Manager.

## Reporting

Progress Reports are required every six months. Your Grant Manager may request a report at any time. If reports are not submitted timely or Progress Reports are unsatisfactory, this Grant may be terminated for cause.

Only **one** (1) copy of each Progress Report and the Final Report should be submitted. All Reports must be double-sided and printed on paper that contains at least thirty percent (30%) postconsumer fiber.

The lead jurisdiction for a regional project has sole responsibility for reporting on the regional project.

### Reporting & Expenditure Categories

When preparing reports and Payment Requests, all expenses must be reported in one of the categories below. All personnel time, **with the exception of personnel hours associated with Stormwater Pollution Prevention Programs**, should be placed under the "Personnel/Other" Category. All personnel costs associated with Stormwater Pollution Prevention Programs should be included in the new "Stormwater" budget category. (The CIWMB is



## Progress Reports

tracking Stormwater related expenses for a Report to the Legislature.)

- **Permanent Collection Facilities:** Costs for the establishment, expansion, or operation of used oil collection centers or permanent HHW collection facilities including equipment, supplies, and transportation costs for used oil, used oil filters, and plastic oil bottles from these facilities. Costs for recycle-only facilities should also be included in this category.
- **Temporary or Mobile Collection Facilities:** Costs for one-day, intermittent events, or mobile collection (other than residential collection) of used oil, used oil filters or plastic oil bottles.
- **Residential Collection:** Costs for the establishment, continuation, or expansion of curbside or door-to-door collection of used oil, used oil filters or plastic oil bottles. Include containers such as buckets and plastic bags.
- **Stormwater Mitigation:** Costs for all expenditures involving education and mitigation projects relating to Stormwater Pollution Prevention from used oil and used oil byproducts including, but not limited to, storm drain inlet filter device installation and maintenance, stenciling, **and personnel** related to Stormwater Mitigation Programs.
- **Publicity and Education:** Costs for the development, printing, and distribution of publicity or educational materials that promote the used oil, used oil filters or plastic oil bottle collection opportunities funded through this grant.
- **Load checking:** Costs for inspection of loads for used oil/used oil filters at solid waste landfills or transfer stations. Costs for the containment of load check materials (permanent or semi-permanent structure) should also be included here.
- **Personnel/Other:** All personnel costs, including consultants, (**except stormwater**) or other eligible expenditures that cannot be assigned to any of the above listed categories. See “Overhead and Indirect Costs” section.

A Progress Report must be submitted every six months, according to the schedule listed below, even if there are no expenses to be claimed. Ten (10) percent will be deducted from each Payment Request and paid at the end of the grant term when all Reports have been received. The Progress Reports are due as follows:

<b>Grant Activity Period</b>	<b>Report Due Date</b>
May 1, 2003 - November 30, 2003	January 15, 2004
December 1, 2003 - May 31, 2004	July 15, 2004
June 1, 2004 – November 30, 2004	January 15, 2005

Each Progress Report must include:

1. The grant number, Grantee's name, and reporting period.
2. A signed Payment Request form {CIWMB 87} (if applicable). See the "Payment Request General Guidelines-Documents" section below for instructions. A copy is available at the CIWMB's website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/).
3. A description of all work completed since the previous Progress Report arranged by the Reporting and Expenditure Categories as shown in your approved budgeted Expenditure Itemization Summary.
4. A discussion of work to be conducted during the next reporting period. If necessary, discuss any adjustments that might be needed to the Work Plan or approved budgeted Expenditure Itemization Summary.
5. A Recycled-Content Certification Form (CIWMB 74G). Complete a form for all items purchased during the last reporting period. This form can be found at the CIWMB's website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/). See the above "Recycled-Content Requirements" section for instructions.
6. A General Checklist of Business Permits, Licenses, and Filings (CIWMB Form 669) must be completed and submitted with each report and/ or Payment Request. This form can be found at the CIWMB's website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/).
7. Provide one (1) original copy of each premium item and two (2) originals of all final P&E materials/items (e.g. ads, brochures, surveys, etc.) with each Progress Report. If the item is large (e.g., container, oil change mat, or any item that cannot fit into a legal dimension archive box), submit two (2) photographs of the item from different angles.

## Final Report

**The Final Report along with the Final Payment Request are due May 6, 2005. Payment Requests received after this date will not be paid. No extensions will be granted.**

### **The Final Report must include:**

1. The grant number and Grantee's name.
2. A signed Final Payment Request Form (CIWMB 87). To complete this form, see the "Payment Request General Guidelines & Information" section below for instructions or the CIWMB's website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/) for the form. This form may only be signed by the individual authorized by the resolution.
3. Description of all efforts that were undertaken, continued, and completed during the entire grant term (May 1, 2003 through April 30, 2005). Your Final Report must be arranged by the Reporting and Expenditure Categories shown in your approved Expenditure Itemization Summary and Work Plan. In addition, the following must be addressed, as applicable:

#### **For Permanent and Temporary/Mobile Collection Facilities:**

- a) Number of participants at each facility during the grant term.
- b) Amount of used oil in gallons, number of used oil filters and/or the number of plastic oil bottles collected at each facility during the grant term.
- c) Number of days and hours of operation during the grant term.

#### **For Residential Collection Programs:**

- a) Number of curbside/door-to-door stops during the grant term, **or** number of households served by curbside collection (if number of stops are not tracked) during the grant term.
- b) Amount of used oil in gallons, number of used oil filters and/or the number of plastic oil bottles collected during the grant term.

#### **For Stormwater Mitigation Programs:**

- a) Number of storm drain inlet filter devices installed and/or serviced.
- b) Number of storm drains stenciled or permanent markers affixed.
- c) P&E materials developed and distributed during the grant term.
- d) Any other stormwater related activities or items purchased during the grant term

For **P&E efforts**:

- a) Who was your target audience?
- b) Number of community events attended during the grant term and number of people stopping at your booth.
- c) Number of school presentations conducted during the grant term and number of students participating.
- d) Materials developed (e.g. door hangers, billboards) and distributed (include distribution method) during the grant term.
- e) Total number of people reached as a result of this grant.
- f) Describe the method used to get this estimate. Why did you choose this approach?

For **Load Checking Programs**:

- a) Frequency of inspections during grant term.
  - b) Number of vehicles inspected through the program during scheduled operation during the grant term.
  - c) Amount in pounds (oil can be reported in gallons) and material type(s) collected during the grant term.
4. Evaluate outcome of the grant. Please quantify/describe the following:
- a) Did you see a decrease of illegal dumping incidents?
  - b) Did the amount of used oil and/or used oil filters collected increase?
  - c) What statistical tests or questionnaires were used to evaluate project effectiveness?
  - d) Describe findings, conclusions, and recommendations for follow-up or ongoing activities and how they affect future development of your program.
  - e) Evaluate your successes or failures, and the cost effectiveness of your efforts.

**Note:** For more on evaluation see  
[/www.ciwmb.ca.gov/UsedOil/EvalGuide/](http://www.ciwmb.ca.gov/UsedOil/EvalGuide/).

5. A Recycled-Content Certification Form (CIWMB 74G). Complete form for reportable products purchased during the last reporting period. The form can be found at: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/) and Recycle-Content Certification section for instructions.
6. A General Checklist of Business Permits, Licenses, and Filings (CIWMB

**Payment  
Request General  
Guidelines and  
Information**

Form 669) must be completed and submitted. The form can be found at the Board's website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/).

7. Include one (1) original copy of each premium item, and two (2) originals of all P&E items/materials not previously submitted. For large items such as equipment or structures, please submit two (2) photographs from different angles. Submit a photograph of each event attended or conducted.
8. For video and radio ads: submit a final copy in the appropriate media format (VHS format for videos and cassette tape or compact disc for radio ads). List all contractors, subcontractors, and vendors that were used. For each, include a name, address, phone number, and a brief statement of work.
9. If funds are advanced, Grantee must report any accrued interest, see the "Advances" section below for further information.

A Payment Request may be submitted quarterly without a Progress Report, if costs have been incurred and not yet claimed.

- Your Payment Request will be approved when your Grant Manager determines that it is complete and accurate, and when applicable, all required Reports have been submitted and approved.
- Payments will be made to the Grantee only.
- Ten percent (10%) will be deducted from each Payment Request and paid at the end of the grant term when all reports and conditions stipulated in the Grant Agreement have been satisfactorily completed.

**Payment Request Required Documents**

All forms can be downloaded from the CIWMB website as indicated below, or you may contact your Grant Manager for copies. A complete Payment Request must include the following items in the order listed:

1. **Payment Request Form** (CIWMB 87) - This form must be signed by the individual authorized by the resolution. Please remember to type or print the individual's name and title below the signature. This form can be found at the CIWMB's website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/).

2. **Expenditure Itemization Summary** (CIWMB 667) - All expenditures must be itemized and arranged by the Reporting and Expenditure Categories for your grant as it was approved. (See Reporting & Expenditure Categories section for a list of all the categories). This form can be found at the CIWMB's website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/).
3. **Supporting Documentation** - Submit documentation for all expenditures claimed on the Payment Request. Types of acceptable documentation include:
  - a) **Invoices.** Invoices must include the name of the vendor, vendor's telephone number and address, description of goods or services purchased, amount due, and date.
  - b) **Receipts.** Receipts should include the same information as invoices. (see above)
  - c) **Purchase orders with copies of canceled checks.** Purchase order should include the same information as invoices (see above) and must be accompanied by proof of payment.
  - d) **Personnel Expenditure Summary Form.** Document personnel expenditures based on actual time spent on grant related activities (these forms are not required if you have an alternate time reporting method approved by your Grant Manager). This form can be found at the CIWMB's website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/)
  - e) **Travel Expense Form.** Document costs related to travel and include supporting documentation. This form can be found at the CIWMB's website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/)
4. **General Checklist of Business Permits, Licenses, and Filings Form** must be completed and submitted with each report and Payment Request. This form can be found at the CIWMB's website: [www.ciwmb.ca.gov/HHW/Forms/](http://www.ciwmb.ca.gov/HHW/Forms/)

## Advances

A payment advance may be requested for expenditures identified in the approved grant Expenditure Itemization Summary. The request should include a Payment Request Form (CIWMB 87) and a letter of justification signed by the person authorized in the resolution. The letter must explain why the advance is necessary for the achievement of grant objectives, what the funds will be spent on and when the funds will be expended. Justification for an advance of funds

must be related to factors not under the control of the Grantee and/or which could not have been avoided. Approval of a subsequent Payment Request, either advance or reimbursement, will not be given until the previous advance has been fully reconciled. Any outstanding issues regarding advances must be resolved before the closure of the grant or a refund to the CIWMB will be necessary.

Advanced payments held beyond ninety (90) days, must be deposited in an interest bearing account with a fully insured financial institution. All interest accrued and received from this account must be used only for eligible expenses related to this grant.

Grantees contracting out for performance of grant activities are advised that contractors are responsible for tracking accrued interest. Consequently, the grantee must report any accrued interest by a contractor(s) in the Final Report. Interest accrual is most likely to appear when a grantee utilizes a contractor for long-term service and the contractor has possession of grant funds.

#### **Services Rendered**

**Goods and services must *be paid for and received* within the term of the Grant Agreement** (May 1, 2003 – April 30, 2005). Proof of delivery is required. Grantees should retain this documentation for audit purposes. Questions regarding specific situations should be directed to your Grant Manager.

#### **Audits**

The Grantee agrees that the CIWMB, the Bureau of State Audits, or their designated representative(s) shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated, or until completion of any action and resolution of all issues which may arise as a result of any litigation, dispute or audit, whichever is later. The Grantee agrees to allow the designated representative(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any contract or subcontract related to performance of the Agreement.

*[We strongly encourage that you share the “Terms and Conditions” and “Procedures and Requirements” with your finance department. Examples of audit documentation include but are not limited to expenditure ledger, payroll register entries, time sheets, personnel expenditure summary form, travel expense log, paid warrants, contracts and change orders, invoices and/or*

*anceled checks and copies of any approvals for exceptions to these Procedures and Requirements.]*

## **Overhead and Indirect Costs**

Overhead and indirect costs can be claimed by Grantees. The following guidelines must be used when claiming these costs:

- The total cost of overhead and indirect cost charged to the grant shall not exceed twenty percent (20%) of the grant funds expended. These costs are expenditures not capable of being assigned and not readily itemized to a particular project or activity, but considered necessary for the operation of the organization and the performance of the program. The costs of operating and maintaining facilities, accounting services, and administrative salaries are examples of overhead and indirect costs. All overhead and indirect costs charged to the grant must be associated with grant activities as shown in the approved budgeted Expenditure Itemization Summary. ***If you are uncertain whether a given cost is considered an overhead/indirect cost by the CIWMB, contact your Grant Manager.***
- Direct costs charged directly to the grant shall not be included in the overhead/indirect cost formula.
- Supervision performed by Managers and Supervisors can be included in the overhead/indirect cost formula; and therefore, will not be a direct charge to the grant. On the other hand, if a Manager or Supervisor performs an activity that is directly related to the execution of the grant (not supervision), costs associated with this activity may be included as a direct charge. Any such activity must be clearly supported by appropriate documentation and shall not be charged to the grant as overhead or indirect cost.
- The Grantees must maintain organized and accurate records that follow generally accepted accounting principles and leave an audit trail. The Grantee must provide access to all documents related to the grant program and fiscal operation of the grant program as deemed necessary by the CIWMB. The Grantees must have on file an internally approved Cost Allocation Plan which specifically documents how the cost amount was established and how it is supported by formal accounting records to substantiate the charges. The Cost Allocation Plan must be approved by an appropriate Supervisor/Manager in your agency. The Cost Allocation Plan must identify program elements included in the overhead/indirect cost calculation. See the sample "Cost Allocation Plan" calculation below:



**Total department indirect cost divided by total department direct cost base equals indirect cost rate.**

**Exceptions**

Exceptions to the provisions of these Procedures and Requirements may be considered on a case-by-case basis. These requests must be submitted in writing and approved in writing by your Grant Manager. The Grantee is responsible for retaining documentation of any exceptions to these Procedures and Requirements for audit purposes.